



## UNITED STATES DEPARTMENT OF EDUCATION

OFFICE OF THE DEPUTY SECRETARY

April 5, 2011

The Honorable Martin O'Malley  
Office of the Governor  
100 State Circle  
Annapolis, MD 21401-1925

Dear Governor O'Malley:

During the week of June 14, 2010, staff from the State Fiscal Stabilization Fund (SFSF) program from the U.S. Department of Education conducted the first of two monitoring reviews of your State's implementation of the SFSF program. Your State's SFSF contacts were extremely helpful in coordinating and responding to this on-site review.

During the monitoring review, we discussed your State's policies, procedures, and activities related to the SFSF program. We spoke with officials at local educational agencies (LEAs) and public institutions of higher education (IHEs) that have received Education Stabilization Fund grants, as well as with representatives of entities that have received Government Services Fund grants. A complete description of the scope of the monitoring review and the SFSF monitoring protocols are available on the Department's website at [www.ed.gov/programs/statestabilization/applicant](http://www.ed.gov/programs/statestabilization/applicant).

The Department found that the State implemented the program expeditiously and effectively in order to meet the financial needs of LEAs, IHEs, and other State agencies. This report demonstrates Maryland's commitment to ensuring that the funds were spent quickly, while balancing the need for accountability and transparency. Throughout the monitoring process, subrecipients commented on the responsiveness of the State and were appreciative of the assistance provided to them.

The Department identified one issue regarding the fiscal oversight of SFSF funds. Specifically, the State had not collected and posted the proper Section 1511 certification for at least one subrecipients using SFSF funds for infrastructure projects. In response, the State immediately obtained certifications from all local school systems with reported infrastructure projects and advised all local systems of this requirement, resulting in additional filed certifications. Because the State has taken the actions above, there are no outstanding issues for the State to resolve.

The Department also recommends the State develop and share a long-term monitoring schedule that includes anticipated dates for monitoring and the final report publication to ensure sub-

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recipients have adequate notice to prepare for an effective review and full knowledge about monitoring timelines.

The Department is grateful for the cooperation and responsiveness of the staff in Maryland. Monitoring not only helps States to achieve high-quality implementation but also helps the Department to improve its role as an advisor and partner with States in this effort. As we work together, we want this process to be interactive and helpful.

We will be contacting your office in the future to schedule an on-site monitoring review of the State's implementation of the SFSF program. We look forward to collaborating with you and the other officials in Maryland who are working on this critical educational initiative.

Sincerely,

//s//

Ann Whalen  
Deputy Director, Implementation & Support Unit

